



HONG KONG MONETARY AUTHORITY

香港金融管理局

Our Ref: B2/2C
 B2/14C

21 May 2012

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Licensing Condition in relation to the establishment of the Financial Dispute Resolution Centre Limited (FDRC)

The HKMA has consulted the Banking Advisory Committee, the Deposit-taking Companies Advisory Committee, The Hong Kong Association of Banks and The DTC Association pursuant to section 134A(1)(a) of the Banking Ordinance (the Ordinance) on the attachment of the proposed licensing condition, which requires each authorized institution (AI) to be a member of the Financial Dispute Resolution Scheme (FDRS) administered by the FDRC, and to abide at all times by the rules and procedures in respect of the FDRS.

I am now writing to advise you that the following licensing condition will be attached, pursuant to section 16(5) of the Ordinance, to the authorization of each AI with effect from 19 June 2012, which is the date on which the FDRS will come into effect and the FDRC commence operations:-

"The [bank/ company] (i) will become a member of the Financial Dispute Resolution Scheme (the "Scheme") administered by the Financial Dispute Resolution Centre Limited (which is incorporated as a company limited by guarantee and not having a share capital under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) and will remain such a member unless and until the licence granted to the [bank/ company] is revoked under section 22 of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong); and (ii) will be required to abide at all times whilst being such a member of the Scheme by the rules and procedures in respect of the Scheme which are applicable to the [bank/ company] as amended from time to time."

Please contact Mr Raymond Lam, Senior Manager (Licensing), by telephone on 2878 1509 should you have any queries.

Yours faithfully,

Arthur K.H. Yuen
Deputy Chief Executive

for Monetary Authority

c.c. HKAB (Attn: Ms Anita Fung)
DTCA (Attn: Mr PC Lund)